#### STATE OF VERMONT

### HUMAN SERVICES BOARD

In re	)	Fair	Hearing	No.	19,733
	)				
Appeal of	)				

# INTRODUCTION

The petitioner appeals a decision of the Department for Children and Families, Child Development Division (DCF), decreasing the percentage it would pay to subsidize her child care expenses based on her present income.

# FINDINGS OF FACT

- 1. The petitioner and her daughter were Reach Up
  Financial Aid (RUFA) recipients until May 31, 2005.
  Beginning in November of 2004, DCF subsidized 100 percent of
  the petitioner's day care expenses according to its fee scale
  so she could obtain employment.
- 2. The petitioner and her daughter had been living with relatives before January of this year. In January 2005, they moved to their own apartment and incurred many new expenses. The petitioner eventually earned enough money to no longer be eligible for RUFA benefits.
- 3. In May of 2005, the petitioner's day care subsidy eligibility came up for a six-month review. At that time,

the petitioner reported that she had gross monthly income of \$2,024.87. Based on that reported income, DCF determined that the petitioner was only eligible for a 45 percent subsidy of her income. The petitioner was notified of that fact and appealed the decision.

4. The petitioner does not disagree that her new income is at the level used by DCF. However, since her last review she has taken on considerable expense in running her own household and believes that DCF should take those expenses into consideration when determining the amount of her subsidy. She is having a more difficult time budgeting now with her new expenses than when she was on RUFA.

# ORDER

The decision of DCF is affirmed.

# REASONS

"Child Care Services Regulations" adopted by DCF provide subsidies for families who have a "service need" (i.e. to maintain employment) and who meet financial eligibility requirements. Regs. 4033 and 4035. The program determines financial eligibility by counting certain kinds of income but not others. Reg. 4031, "Gross Income". RUFA income is not counted at all while gross income from earnings (other than

self-employment income) is counted without deduction except for child support paid to another household. Regs. 4031, "Gross Income" (12). Families are financially eligible only if they have gross income "at or below the levels given in the Child Care Subsidy Schedule." Regs. 4034. The current "Child Care Subsidy Schedule" allows a 100 percent subsidy only for those families of three or less whose average gross income is below \$1,157. Families with income in excess of that amount are partially subsidized in accordance with the schedule. The schedule currently shows that families of three or less with at least \$2,000 in monthly gross income but not more than \$2,073 are subsidized at a rate of 45 percent.

When the petitioner was on RUFA benefits, her income was not counted in determining her eligibility and she received a 100 percent subsidy. When the petitioner came up for review in May of 2005, she was receiving \$2,024.87 in monthly gross income. Under the regulations, she is not entitled to any deductions from that gross income for any expenses other than child support, which she does not pay. As her countable gross income is \$2,024.87 and there are two in her family,

<sup>&</sup>lt;sup>1</sup> The amount of RUFA benefits will always be below the maximum for a full subsidy so not counting this income is the same as finding that it is automatically below the maximum.

she is within the range of households who receive a 45 percent subsidy. As DCF's decision is consistent with its regulations, the Board is bound to affirm the result. 3 V.S.A. § 3091d, Fair Hearing Rule 17.

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